

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1428-01  
Bill No.: HB 460  
Subject: Housing; Manufactured Housing; Department of Economic Development  
Type: Original  
Date: April 17, 2001

---

**FISCAL SUMMARY**

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Manufactured Housing Fund	\$128,400	\$128,400	\$128,400
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>\$128,400</b>	<b>\$128,400</b>	<b>\$128,400</b>

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
<b>Local Government</b>	<b>\$0 to (unknown)</b>	<b>\$0 to (unknown)</b>	<b>\$0 to (unknown)</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 3 pages.

## FISCAL ANALYSIS

### ASSUMPTION

The **Department of Economic Development–Office of Public Counsel** assumes the proposal will have no fiscal impact on the agency.

Officials with the **Department of Elementary and Secondary Education** assume the proposal would have no effect on their agency, but note that there could be an increased cost at the school district (purchaser) level if modular units used as classrooms are required to meet higher construction standards. This would tend to pressure acquisition costs upward. The actual fiscal impact to school districts cannot be determined.

Officials from the **Department of Economic Development–Public Service Commission** assume the proposal would result in increased registration fees from manufactured/modular housing dealers of \$56,400 and from manufacturers of \$72,000. These figures are based on an increase from \$50 to \$200 in the dealer registration fee for 376 dealers, and an increase from \$250 to \$750 in the manufacturer registration fee for 144 manufacturers.

**Note:** These figures differ from the fiscal note for similar legislation from the prior session due to the inclusion of the increased fee for manufacturers. For that proposal, **Oversight** was unable to provide an estimate for the increased revenue resulting from the manufacturer registration fee.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
<b>MANUFACTURED HOUSING FUND</b>			
Income–PSC			
Increased Registration Fees	<u><b>\$128,400</b></u>	<u><b>\$128,400</b></u>	<u><b>\$128,400</b></u>
<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
Costs–Local School Districts	<u><b>\$0 to</b></u>	<u><b>\$0 to</b></u>	<u><b>\$0 to</b></u>
Purchase of Higher Quality Units	<u><b>(unknown)</b></u>	<u><b>(unknown)</b></u>	<u><b>(unknown)</b></u>

### FISCAL IMPACT - Small Business

This proposal would have a direct fiscal impact on small businesses operating as manufactured or modular home dealers and manufacturers.

## DESCRIPTION

This proposal would exempt used manufactured homes and certain used modular units from complying with provisions of Chapter 700 (concerning manufactured housing). No person would sell a new or used modular unit for educational purposes unless the unit bore a seal signifying that the unit complied with the code. No person would alter any new manufactured home, new modular unit or used modular unit used for educational purposes if the alteration would violate the code. It would be a misdemeanor to rent, lease, sell, or offer to sell a new manufactured home, new modular unit, or used modular unit used for educational purposes that did not bear a seal. It would be misdemeanor to fail to correct a code violation within 90 days on a new manufactured home, new modular unit, or a used modular unit used for educational purposes.

The proposal would raise the initial registration and renewal fees for a dealer from \$50 to \$200. The initial registration and renewal fees for a manufacturer would increase from \$250 to \$750. The Public Service Commission could suspend or revoke a manufacturer's or dealer's license if that entity failed to pay necessary fees and assessments.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

## SOURCES OF INFORMATION

Department of Elementary and Secondary Education  
Department of Economic Development  
Public Service Commission  
Office of Public Counsel



Jeanne Jarrett, CPA  
Director  
April 17, 2001